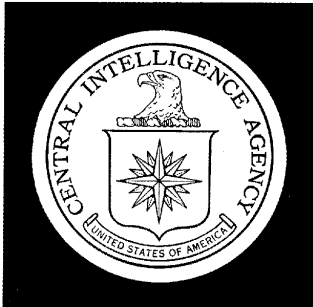


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Intelligence Memorandum

The Guianas: Development and Discord

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THE GUIANAS: Development and Discord

The Guianas form a unique enclave on the north coast of South America. Consisting of Guyana, Surinam, French Guiana, and the Guayana region of Venezuela, this area has been isolated and differentiated from its mainland neighbors by geography and culture. Economic ties have been primarily with countries of the North Atlantic (including the United States and Canada), and the laws, political structures, and official languages of the area are derived from European mother countries. The principal ethnic groups, contrarily, trace their origins from Africa and Asia.

European planters settled the coast, and in the 17th, 18th, and 19th centuries they brought Negro slaves into the area, thus displacing indigenous Amerindians who retreated into the vast and inhospitable interior. With the abolition of slavery between 1831 and 1863, indentured workers were introduced to the Guianas, primarily from Asia, in order to provide needed field labor. The resultant cultural mix is the most complex in South America, and each ethnic group maintains considerable distinctiveness and exclusiveness. In particular, antagonisms have developed between Negroes and East Indians everywhere, most notably in Guyana (formerly British Guiana), where each group, fearing domination by the other, is striving for political control of the country.

These cultural and ethnic dichotomies are basically responsible for the current manifestations of discord in the Guianas. Additional discord derives from the current claims of Venezuela and Surinam to about 70 percent of Guyana's territory. The Guyanese national election, scheduled for 16 December 1968, may be a good indicator of the prospects for regional as well as national stability.

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LAND

The Guianas occupy most of the extensive Guiana Highlands between the Orinoco Valley and the Amazon Basin. Generally heavy rainfall and high temperatures prevail throughout, and rain forest is widespread. A narrow coastal lowland, bordering the highlands, is the principal agricultural zone. As much of the lowland is below the level of high tide, an elaborate system of dikes and sluices is maintained to keep the sea out of settled areas and to drain the land. Nonagricultural land along the coast is covered with mangroves, swamp forests, and seasonally flooded forests.

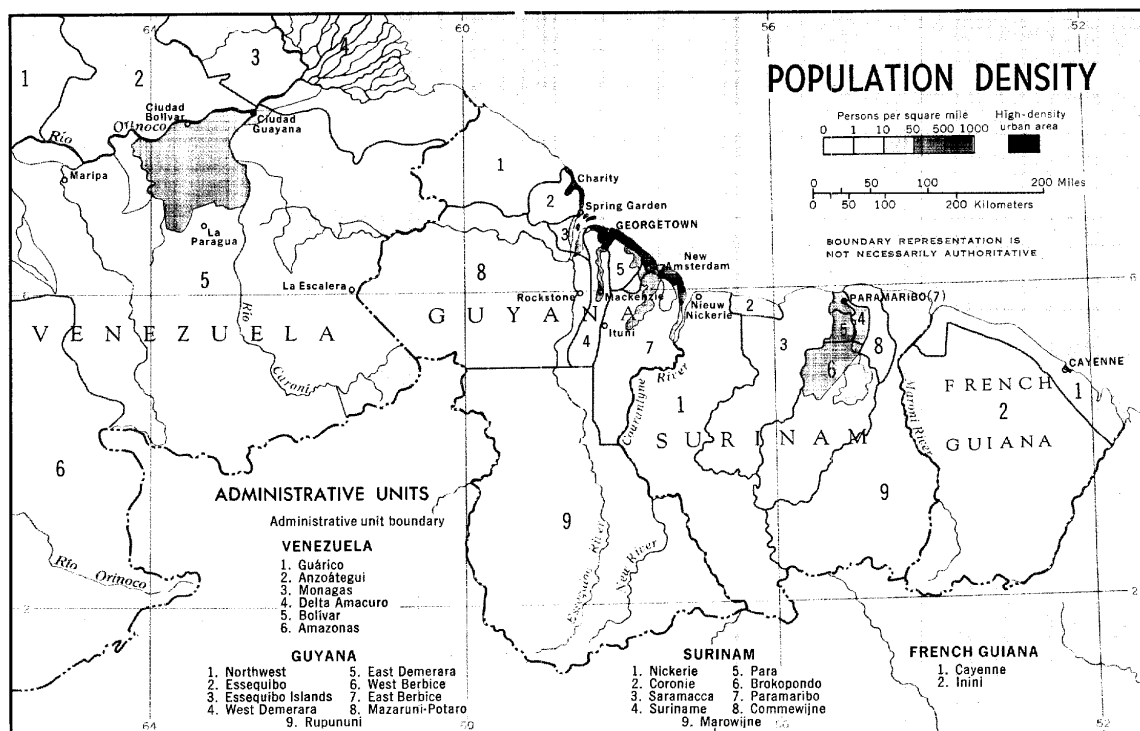
Extending 50 to 275 miles inland from the coastal lowland is a broad belt of interior plains and hills. Terrain within this belt varies from gently rolling sectors near the margins of the coastal lowland to rough, steeply rolling stretches near the bordering uplands. Dense tropical forest covers most of the belt, although savannas occur in northern Venezuelan Guayana and in southwestern Guyana.

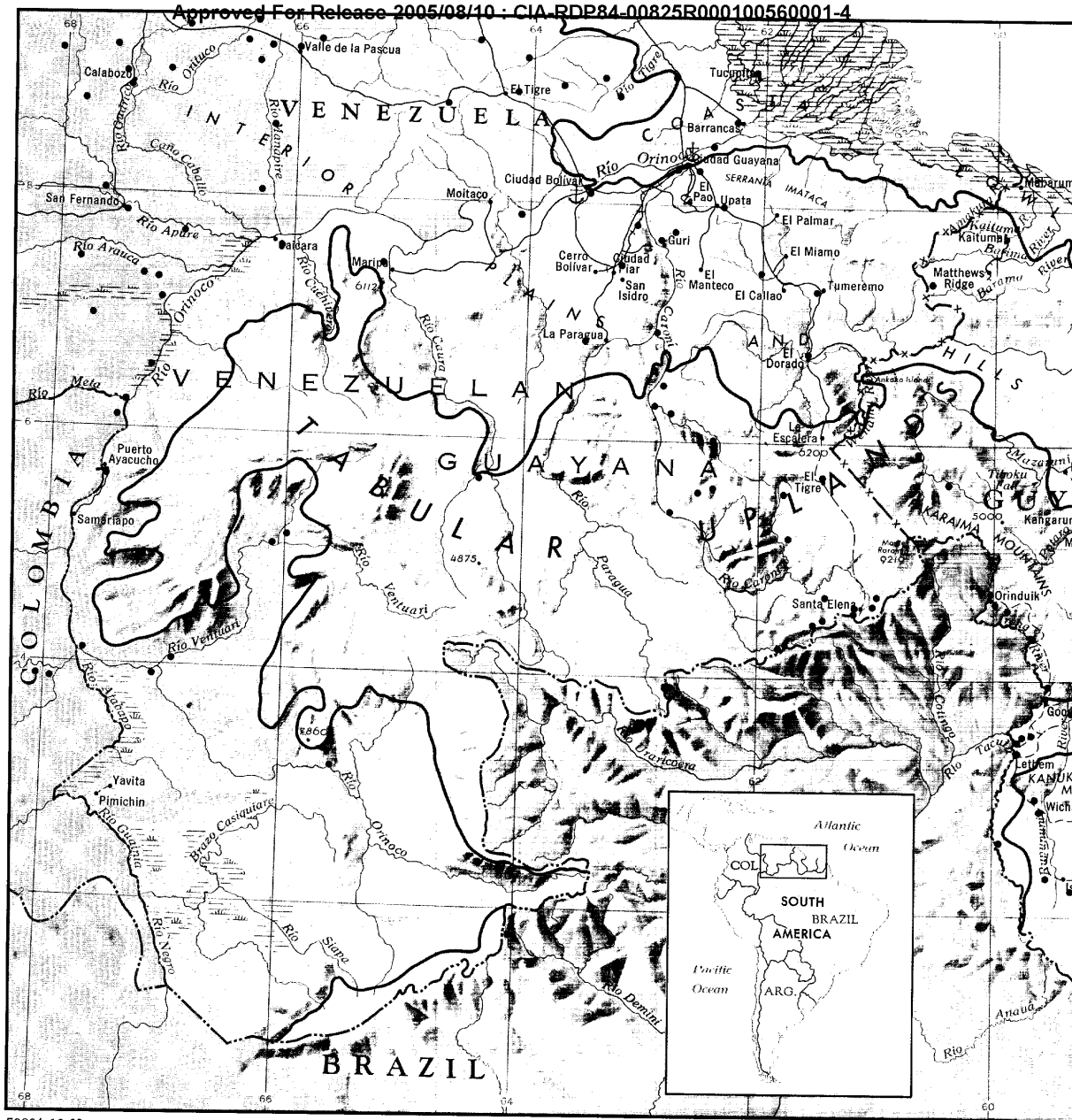
Tabular uplands rise above the plains and hills in central Venezuelan Guayana and west-central Guyana, forming a spectacular landscape. Deep gorges cut the margins of the tabular mountain blocks, over which spill some of the highest waterfalls in the world. An admixture of tropical forest and savanna covers the uplands.

In the southern parts of Guyana, Surinam, and French Guiana, scattered hills, monadnocks, and low mountain ridges rise above flat-to-rolling plains. Dense tropical forest generally prevails on these southern uplands, although savannas extend into the area in southwestern Guyana.

POPULATION AND SETTLEMENT

The population of the Guianas is concentrated in the coastal lowland and along the lower reaches of the principal rivers, except in Venezuelan Guayana, where it is





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densest along the middle and lower courses of the Río Orinoco. The few centers of population in the interior are mostly related to mining and ranching. Extensive areas in the interior are populated only by scattered small bands of primitive Amerindians.

Bush Negroes have displaced the Amerindians along the middle courses of the Maroni Rivier and along a few other streams in Surinam and French Guiana. Descendants of slaves who escaped from coastal plantations and fled upriver, they have succeeded in reestablishing an African tribal system. Primarily they engage in shifting cultivation, hunting, and fishing.

The composition of the nontribal population varies considerably among the Guianas. In Venezuelan Guayana the population is predominantly Mestizo, a mixture of Spanish and Amerindian blood. In French Guiana a Creole culture, consisting basically of Negroes and Mulattoes, dominates. In Guyana and Surinam the social structure is much more complex because the several ethnic groups have not assimilated.

After the abolition of slavery, plantation Negroes generally moved into the towns or formed communal vil-

lages. In Guyana the majority are now wage earners, and they predominate in the sugar mills, bauxite mines, civil service, and police force and on the teaching staffs of schools. They also are numerous in the professions. Negroes and Mulattoes together constitute over 45 percent of the total population of Guyana, with 45 percent of them residing in Georgetown and New Amsterdam. Most of the rest live in the larger mining centers and in villages along the coast.

In Surinam the freed Negroes and Mulattoes became known as Creoles. They now constitute about 46 percent of the population, and 56 percent of them live in Paramaribo, where they are employed in both blue- and white-collar jobs. Most of those who have remained on the land are in Coronie District and raise coconuts as a cash crop.

Small groups of Madeiran Portuguese and Chinese were among the early indentured immigrants to the Guianas. As soon as their periods of indenture ended, they generally migrated from the plantations to the villages and urban centers and became peddlers and small shopkeepers. Later some of them opened small

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Guyana's territorial dispute with Surinam relates to the location of the headwaters of the Courantyne River. The boundary between the two countries has never been formally delimited, but for many years the left bank of the Courantyne River has been accepted as constituting the boundary for approximately 200 miles southward from the coast. The dispute hinges on the determination of which of two affluents of the Courantyne River constitutes its headwaters. Geography supports the Netherlands' claim for the New River, while history and legal precedents substantiate the British and Guyanese position favoring the Kutari River.

There is also a question of the ownership of offshore oil deposits that may exist at the mouth of the Courantyne River. The division of the sea, that is, the continental shelf extending outward from Springlands, Guyana, is in dispute. The Dutch claim that the boundary should run more or less straight out from Springlands, while the Guyanese maintain that in accordance with generally recognized modern methods of calculation, the line should be equidistant from the nearest point in both countries; the disputed area is therefore a triangular piece of sea with the apex at Springlands.

The dispute between Surinam and Guyana was reactivated in December 1967, when Guyanese police evicted a Surinamese hydrographic team from the contested area between the New and Kutari Rivers. The two countries threatened to use force to advance their claims, but diplomatic discussions have now reduced the tension. The prospects for a peaceful settlement are good. Possible approaches to a compromise are: 1) an exchange by Guyana of most of the disputed territory for electricity from Surinam's projected Kabalebo hydroelectric powerplant or 2) a shift in the boundary from the left bank of the Courantyne River to a midstream channel, which would permit Guyana to use the river for navigation and fishing.

SUMMING UP

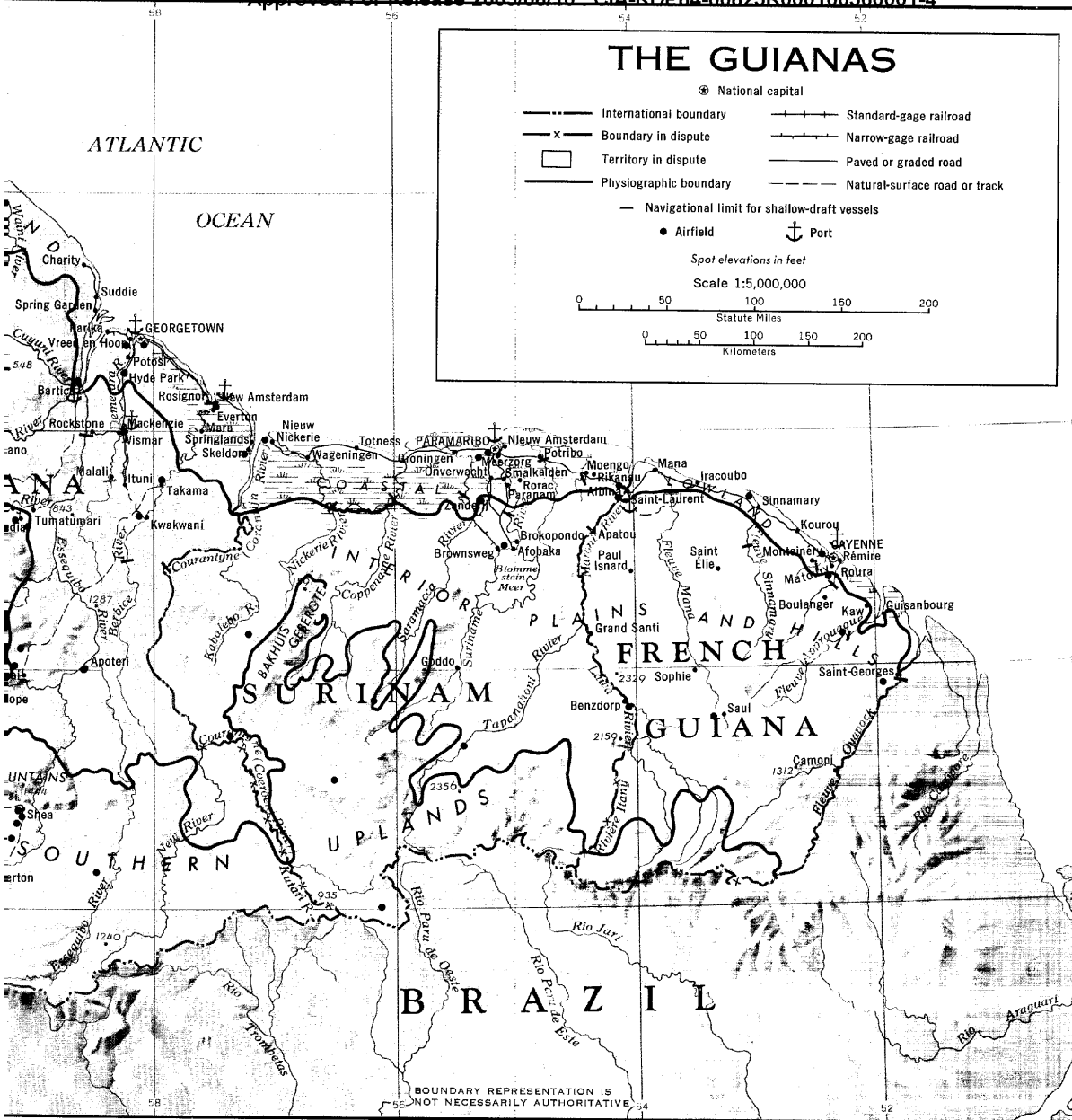
Each of the Guianas, except for French Guiana, has advanced economically in the recent past. The Ciudad Guayana complex in Venezuelan Guayana has been, perhaps, the most spectacular achievement of all. The project is not without problems, however, in that the failure to attract new industry as rapidly as anticipated has resulted in unemployment and social problems among the mass of newly arrived people.

French Guiana has experienced a psychological lift with the development of the National Space Research Center on its coast. Nevertheless, it is still basically a country without a viable economy. Principally lacking is a sufficient population to develop resources or provide a consumer market.

Surinam has enjoyed relative political stability and has attracted sizable investments in industry. Plans are well advanced toward initiating the huge Adampada-Kabalebo project. The most serious element of potential political instability is racial tension between the Creoles and the Hindustanis. The latter have become more aggressive in recent years and are more inclined to challenge Creole domination of Surinam's political life. Moderate elements among both groups are concerned that any renewal of communal strife in neighboring Guyana may cause adverse repercussions in Surinam, where essentially the same ingredients for unrest exist.

The Burnham coalition government has made progress in the past 3 years toward restoring internal stability in Guyana and promoting economic development. Under Burnham's leadership a national rather than a racial approach to Guyana's problems has been stressed. If the PNC wins the election, as expected, the prospects are relatively good for continuing order and economic advancement. Nevertheless, the underlying bases for racial and political discord remain.

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businesses, bought up real estate, or entered the professions.

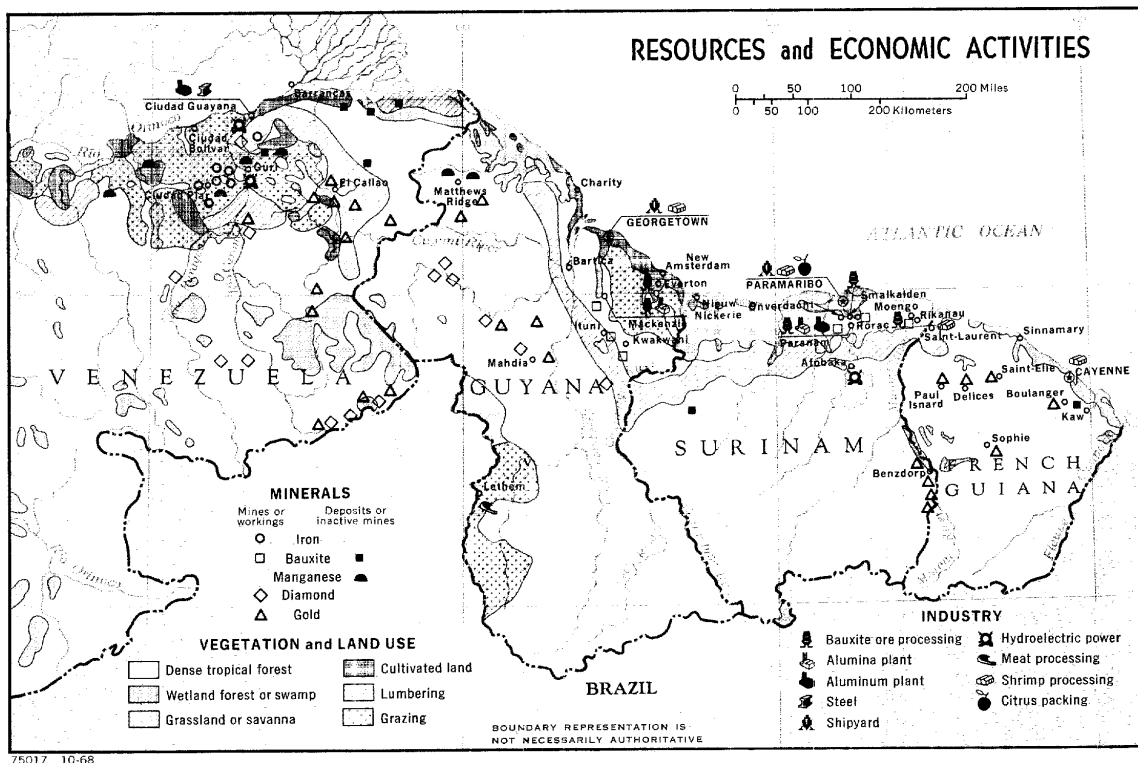
In Guyana the East Indians, by far the largest group of indentured workers, tended to remain on the sugar estates as field hands after their periods of indenture, but later many turned to rice farming and established their own communities. The East Indians have a strong family solidarity and attachment to the land. Increasingly within the last generation, however, they have established small businesses and entered the professions in town. Now they compete with Negroes in most economic activities. They have, nevertheless, maintained a relatively closed society. Constituting about 48 percent of the total population, they are multiplying faster than the Negroes. Rural villages tend to be predominantly East Indian or Negro; none are ethnically pure.

In Surinam the East Indians, or Hindustanis, arrived later than they did in Guyana. Following the abandonment of most of the plantations, they turned to rice cultivation, and the great majority now own or rent small rice farms. Recently, significant numbers of enterprising Hindustanis have moved into the Paramaribo metropoli-

tan area and purchased shops and grocery stores. Young Hindustanis are also entering private firms and the professions in increasing numbers. Comprising about 35 percent of the Surinamese population, the Hindustanis are beginning to challenge the dominance of the Creoles.

The Indonesians were the last major group of indentured workers to enter Surinam. Economically, they are at the bottom of the ladder, working on the plantations and cultivating their own small plots of rice and other subsistence crops. Culturally, they are closely knit and place a high value on tradition and kinship ties. Having opted to retain Indonesian citizenship, most are precluded from holding public office or voting in Surinamese elections. Indonesians constitute 15 percent of the total population of Surinam and about 85 percent of them live in rural settlements.

In French Guiana about 90 percent of the population lives along the coast, and 55 percent of the people are concentrated in Cayenne. Assimilation here has been much more successful than in Guyana and Surinam. In general, job categories cannot be differentiated by race, although the enterprising Chinese monopolize the grocery



the British Commonwealth; Surinam is a coequal member of the Kingdom of the Netherlands; French Guiana is an Overseas Department of the Republic of France; and Venezuelan Guayana is a region within Venezuela that, until very recently, was almost completely undeveloped and apart from the rest of the country. While structurally different in political organization and allegiance, they share through geography a common resource base, and the continued economic advancement of the area as a whole is dependent on the maintenance of political and social stability.

The political structure of Guyana and Surinam, like the occupational structure, clearly reflects the differentiation of the population according to race. The effect of strong racial identification and loyalty upon political dynamics is particularly evident in Guyana, where party alignment is determined almost exclusively by race. Each of the two main racial groups in Guyana—the Negroes and the East Indians—has disliked the possibility of having its way of life dominated by the other; moreover, since the February 1962 riots, each actually fears physical violence at the hands of the other.

The forthcoming Guyanese election represents a contest between three major political parties. The party currently in power, the People's National Congress (PNC) led by Forbes Burnham, is primarily a non-Communist Negro party, whose mass support is derived from urban workers and elements of the Negro middle class. The principal opposition party, the People's Progressive Party (PPP), is basically an East Indian rural party supported mainly by sugar workers and rice farmers. Small numbers of Negro farm laborers and some urban Negro intellectuals and extremists also support the PPP. Led by pro-Communist Cheddi Jagan, the PPP is considered the largest most homogeneous, and best organized party in Guyana. The mass of East Indians support Jagan because he is an East Indian and not because they share his Marxist views. The third major party, the United Force (UF), is largely an urban, multiracial party of the center

right. It is supported primarily by the conservative middle and upper classes, consisting mainly of Portuguese, Chinese, and East Indian businessmen and middle-class Negro professionals. The UF also counts on the support of the Amerindians. Since the bloc of 10,000 or more Amerindian votes looms large in a close election, other parties recently have attempted to attract the Amerindian vote. Burnham controls the electoral machinery in Guyana and should be able to prevent the PPP from winning the election.

The political scene in the Guianas is also disturbed by territorial disputes involving Guyana, Venezuela, and Surinam. Venezuela claims all of the Essequibo area of Guyana—the territory west of the Essequibo River—and Surinam claims the territory in southeastern Guyana between the Kutari River and the New River.

The Venezuelan claim challenges the arbitral proceedings of the 1899 Paris Commission, which fixed the present boundary. In 1962, Venezuela reversed its longstanding tacit approval and proclaimed that the arbitral award resulted from a "fraudulent deal" between the British and Russian members of the boundary tribunal and was therefore null and void. In February 1966, at Geneva, a mixed commission was set up to discuss the dispute. It has met 10 times but, except for releasing political steam, has achieved no concrete results. Venezuelan actions in the last year or so include: 1) the occupation of the tiny border island of Ankoko, half of which is claimed by Guyana, 2) an alleged attempt to subvert Guyana's Amerindian population in the Essequibo area, 3) a warning that any commercial concessions granted to foreign firms by the Guyanese Government in the Essequibo area would not be recognized, and 4) the issuance of a presidential decree claiming the 9 miles of territorial sea between the 3- and 12-mile limits off the Essequibo coast. The latest session of the mixed commission took place in a generally calm atmosphere that did indicate a cooling off of the potentially explosive situation.

trade and the Lebanese control the dry goods business. Many Creoles are employed in the civil service and in various industrial, service, and commercial occupations, including shrimp processing and lumbering. Others are self-employed in subsistence agriculture, fishing, placer mining, and even hunting.

ECONOMY

The Guianas, with the exception of French Guiana, are emerging from a dependence on the export of agricultural products and raw materials and the import of manufactured and processed goods. As a group, however, they face problems attendant upon the development of a diversified economy, and they all lack the necessary infrastructure, skilled labor, mass consumer markets, and capital essential for economic advancement. During the past decade, however, progress has been considerable, especially in Venezuelan Guayana where the Corporación Venezolana de Guayana, an autonomous regional planning authority, has embarked upon the Guayana Region Economic Development Program. Accomplishments to date include construction of a large hydroelectric powerplant, an integrated steel mill, an aluminum smelter, and an urban center at Ciudad Guayana. In French Guiana the population is not large enough to develop the country's resources or to provide an adequate market for mass-produced consumer goods. Thus a moderate standard of living is maintained only by imports and by French economic support. Even here, however, a small local boom, associated with the construction of the French National Space Research Center at Kirou, is being experienced.

Agriculture

Agriculture in the Guianas is concentrated on empoldered tracts along the coastal lowland. The heavy silt and clay soils have relatively high natural fertility and produce moderate to high crop yields when drained and properly managed. The lateritic soils of the interior are generally infertile, and much of the land is inaccessible. Scattered fertile areas of the interior undoubtedly will be farmed when access roads are constructed, and a few areas of low natural fertility may be brought into production when

the use of fertilizers becomes economically feasible. In the near future, however, the interior is unlikely to support agricultural settlement on a sufficiently large scale to relieve the growing population pressure on the coast.

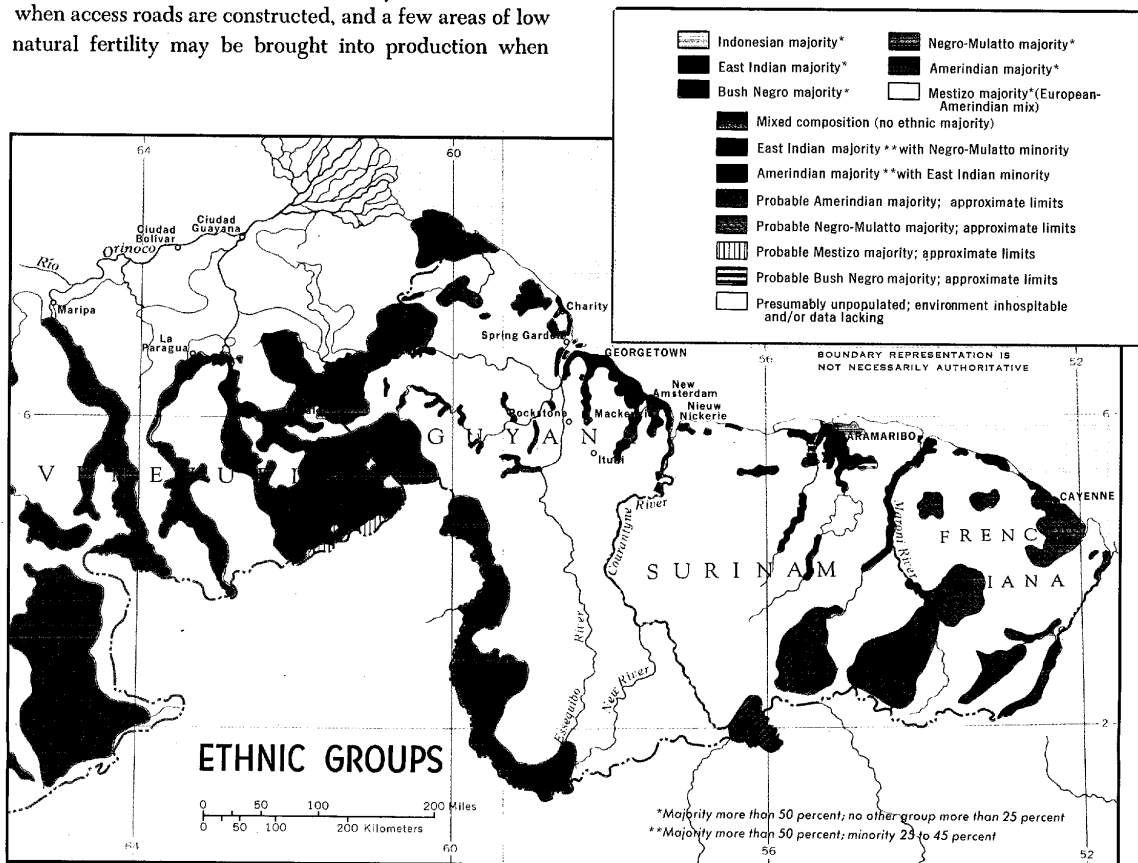
Venezuelan Guayana. The only important commercial crop is rice, grown in the Orinoco Delta. Ciudad Guayana's dependence on distant sources for food will decrease with the completion of the large-scale land reclamation and agricultural development project underway in the Orinoco Delta.

Guyana. There are 11 large sugar plantations, all controlled by two British firms. These enterprises have been successful, despite the considerable expense of maintaining drainage and irrigation systems, largely because landholdings have been consolidated and advanced technology has been adopted. Rice, grown principally on small holdings by East Indian farmers, is Guyana's second most important crop and one that supports more people, directly or indirectly, than any other. The Government, assisted by USAID, is now reorganizing and modernizing the rice industry.

Surinam. Rice occupies about 70 percent of the cultivated land and is the primary export crop. It is grown mostly by Hindustanis and Indonesians on small to medium-size farms; however, the Government-financed Wageningen estate, which is mechanized, accounts for about 30 percent of total production and most of the exports.

French Guiana. There are no export crops, and food represented 29 percent, by value, of all imports in 1966. The small amount of sugarcane grown is used exclusively for the production of rum. Subsistence agriculture is practiced by perhaps 1,000 families.

Dairy farming is being introduced to the Upata region of Venezuelan Guayana and is already practiced in areas adjacent to urban centers in Guyana and Surinam. Beef



cattle are grazed on the savannas in Guyana and south of the Río Orinoco in Venezuelan Guayana. Although the grasslands of Guyana have a poor carrying capacity, most of the fresh meat produced in the country is derived from herds grazed there. Since refrigeration is generally lacking, beef slaughtered in the interior is flown daily to the Georgetown market.

Mining and Mineral Processing

The Guianas are now yielding many valuable minerals, including iron, bauxite, manganese, gold, and diamonds. The geology is essentially similar throughout the area, and various geologic formations can be correlated from one country to the next. Future surveys will undoubtedly reveal additional mineral deposits of considerable magnitude; all of the various mineral-bearing formations, however, are not present in each of the Guianas. For example, the Imataca Formation, which contains the very rich iron deposits in Venezuelan Guayana, does not extend into Guyana; and the White Sand Formation, associated with the high-grade bauxite deposits in Guyana and Surinam, does not extend into Venezuela. Nevertheless, the anticipation of discoveries of rich deposits may have prompted, in part, the rekindling of territorial disputes.

Venezuelan Guayana. High-grade iron ore deposits are being mined at Cerro Bolívar and El Pao, and the Government plans large-scale exploitation of the San Isidro deposits in the same general area. Small amounts of manganese ore have been extracted near Upata, where the Government hopes to develop mines to supply the Orinoco Steel Mill at Ciudad Guayana. Numerous prospectors are engaged in placer mining of gold and diamonds in the Caroní, Paragua, and Cuyuni Basins, and gold veins and lodes are being mined on a small scale in the El Callao area.

The large mineral reserves in Venezuelan Guayana, in conjunction with an abundant hydroelectric power potential, the availability of oil and gas supplies, and cheap water transportation, constitute an impressive resource base for the development program of the Corporación Venezolana de Guayana.

Guyana. Bauxite and alumina account for 85 percent, by value, of the mineral output of Guyana. Among world bauxite producers Guyana now ranks fourth in output. The principal mines are located at Mackenzie and Ituni, but others are located at Kwakwani. The Mackenzie facilities include an alumina refinery and a bauxite calcining plant. Associated with the Kwakwani mines are drying and transloading facilities at Everton. Manganese ore has been mined at Matthews Ridge, but operations there will soon cease because the ore is of only marginal commercial value. Gold and diamond miners, known as "pork-knockers," work the alluvial sands of the interior. Oil surveys of the coastal lowland have met with little success, but there is hope of discovering petroleum on the continental shelf.

Surinam. For some time Surinam has been the world's second largest bauxite supplier. The principal complex, at Paranam, includes a bauxite ore processing plant, an alumina refinery, and an aluminum smelter. Other ore processing plants are at Moengo and Smalkalden. Extensive bauxite reserves have been discovered in the Adampada-Kabalebo area of the Bakhuis Gebergte (mountains), and plans for developing an integrated aluminum complex there are well advanced. Gold mining centered near Benzdorp in the upper Lawa Valley is the only other significant mining activity. Offshore and onshore exploration for oil is underway but has had little success.

French Guiana. Gold and bauxite deposits occur in French Guiana. Although gold has been produced in the

past at various interior sites, only the Paul Isnard mine is reported to be in operation. The future development of bauxite deposits in the Kaw Mountain area, near the coast, hinges upon the construction of access roads and a deepwater port.

Forestry and Fishing

Each of the Guianas has extensive forest reserves, the exploitation of which is hindered by the relative inaccessibility of many stands, the thin scattering of commercial species, and the labor shortage. A pulp and paper mill is to be constructed at Ciudad Guayana to process the extensive resources in Venezuelan Guayana. Hardwoods are exploited in the easily accessible area near Bartica in Guyana and on a sandy belt in northern Surinam. In French Guiana, lumbering is one of the more important industries.

A variety of fish are caught off the coast. Most of them are consumed locally, but modern plants at Georgetown, Paramaribo, Saint-Laurent, and Cayenne process shrimp for export.

Transportation

Inadequate transportation in the Guianas impedes efficient marketing and delays development of the interior. In Guyana, Surinam, and French Guiana, only the densely populated parts of the coastal lowland and the larger mining centers nearby have a network of paved or graded roads. In northeastern Venezuelan Guayana a more extensive road network links settled agricultural and mining areas to Ciudad Guayana and Ciudad Bolívar, and these centers, in turn, to the national road network north of the Río Orinoco.

Several short, discontinuous railroad lines connect mines with processing plants and ports. Only the coastal railroads in Guyana can handle passenger traffic in volume.

Unimproved natural waterways abound in the coastal lowland, but rapids and falls interrupt the middle and upper courses of rivers. Natives who live along these reaches are skilled boatmen, however, and can navigate loaded dugouts through difficult rapids.

Air transport has become the most practical means of transporting people and cargo from the coast to the interior. The most advanced airline and air facilities of the area are in Guyana, where there are many airstrips in the interior capable of handling DC-3's.

Power

The rivers of the interior have a rich potential for hydroelectric power development, but many possible sites are remote from urban and mining centers. Venezuela has excellent sites on the lower Río Caroní, near Ciudad Guayana. Its Macagua I plant has an installed capacity of over 370,000 kilowatts, and the first stage of the Guri dam and hydroelectric power project will have a capacity of 1,750,000 kilowatts. Guyana has yet to develop its hydroelectric resources, but the Government plans to construct a hydroelectric powerplant at Tiboku Fall, on the Mazaruni River, if the aluminum companies agree to construct an aluminum smelter. In Surinam the Brokopondo project has a generating capacity of 180,000 kilowatts. The Government of Surinam is negotiating with leading aluminum companies for the construction of a larger hydroelectric facility on the Kabalebo River.

POLITICAL SCENE

Of the Guianas, only Guyana and Surinam function as autonomous political entities, and Surinam has only internal autonomy. Guyana is an independent member of

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